GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1958
ANSWERED ON:31.07.2015
Inflation
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Will the Minister of FINANCE be pleased to state:

(a) whether the inflation in India is decreasing in recent months;
(b) if so, the details thereof and the reasons therefor;
(c) whether the benefits of falling inflation has been passed on to the common man;
(d) if so, the details thereof, if not, the reasons therefor; and
(e) the steps taken by the Government in this regard;
(f) whether the Government has reduced/proposes to reduce the interest rates on banks loans in view of the falling inflation; and
(g) if so, the details thereof and the steps taken/proposed to be taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI JAYANT SINHA)

(a) to (d) Inflation based on wholesale price index (Base 2004-05=100) and consumer price index − new series (Base 2012=100) in recent months is given in table 1.
Table 1: Inflation based on Wholesale Price Index and Consumer Price Index − New Series (in per cent)

Period	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
WPI Inflation	-0.9	-2.2	-2.3	-2.4	-2.4	-2.4
CPI Inflation	5.2	5.4	5.3	4.9	5.0	5.4

Source: Office of the Economic Adviser, DIPP for WPI and CSO for CPI-NS; Note: Figures for last one month for CPI-NS and for last two months for WPI are Provisional.
The decline in wholesale price inflation is due to fall in inflation of majority of the groups like non-food articles, minerals, crude petroleum, fuel & power, rubber & plastic products and basic metals, alloys & metal products. However, retail inflation as measured by consumer price index is showing rising trend recently. The increase in retail inflation in last two months is mainly due to rise in inflation of groups like pulses and products, meat & fish, spices and Pan, tobacco & intoxicants.
(e) Government took a number of steps to check the surge in inflation, particularly food inflation. Some of the major steps taken by the Government are - extension of zero import duty on pulses till 30-09-2015; export ban on pulses until further orders, except for Kabuli Channa and up to 10,000 MT per annum for Organic pulses & Lentils; stock limit on pulses and edible oils extended till 30-09-2015; stock limit on onion extended till 2nd July, 2016.
(f) & (g) Taking into account the developments that had significantly reduced the momentum of inflation, the Reserve Bank reduced the policy repo rate under the liquidity adjustment facility (LAF) by 75 basis points from 8.0 per cent to 7.25 per cent between January 15, 2015 and June 2, 2015.